

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 183758
ORIGIN COME-00

INFO OCT-01 ARA-10 ISO-00 EB-08 OMB-01 TRSE-00 AID-05
L-03 /028 R

DRAFTED BY COM/OED/MEPD/WHAIMES/LW
APPROVED BY EB/OCA/CM/SPHARRIS
COM/OED/MEPD/JN RANDOLPH
COM/OED/MEPD/SM CONGER, DIRECTOR
COM/OIM/JBLOW (INFO)

-----108481 051150Z /44

P 050907Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY BUENOS AIRES PRIORITY

LIMITED OFFICIAL USE STATE 183758

E.O. 11652: N/A

TAGS: BENC, AR

SUBJECT: MAJOR PROJECT: BAHIA BLANCA PETROCHEMICALS -
POLISUR LOW DENSITY POLYETHYLENE PLANT

REF: (A) BUENOS AIRES A-51; (B) BUENOS AIRES 3200

1. U.S. FIRM HAS CONTACTED COMMERCE/MEPD FOR INFORMATION
ON SUBJECT PROJECT. APPARENTLY PROJECT HAS REACHED BIDDING
STAGE. UNDERSTAND ARCO CHEMICAL (U.S.) HAS PRESENTED
PROPOSAL TO LICENSE KNOW-HOW AND PROVIDE ENGINEERING
SERVICES AND PROCUREMENT ASSISTANCE AGAINST FRENCH,
SWISS, ITALIAN COMPETITION. OTHER U.S. FIRMS INTERESTED IN
EQUIPMENT PACKAGES. WHILE PORTION OF PROJECT TO BE
FINANCED BY IDB PENDING LOAN APPROVAL, FRENCH COMPETITION,
TECHNIP/ATO, IS REPORTED TO BE SUPPORTING ITS BID WITH VERY
ATTRACTIVE EXPORT FINANCING PACKAGE TO COVER TOTAL FOREIGN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 183758

EXCHANGE COST OF PROJECT.

2. WE UNDERSTAND THAT PROPOSED IDB LOAN FOR BAHIA BLANCA
FOR 83 MILLION DOLLARS WILL COVER PART OF ESTIMATED 105
MILLION DOLLAR FOREIGN EXCHANGE COSTS OF FOUR BAHIA BLANCA
PROJECTS: POLISUR - LDPE; PETROPOL - HDPE; MONOMEROS
VINILICOS - VCM; AND INDUCTOR - CHLOROALKALI. (TOTAL COSTS

OF THESE PROJECTS APPROXIMATELY 268.5 MILLION DOLLARS INCLUDING LOCAL CURRENCY FINANCING). PROJECT LOAN APPLICATION TO IDB IN COMMITTEE PENDING ARGENTINE GOVERNMENT APPROVAL OF PROJECTS.

3. WOULD APPRECIATE VERIFICATION OF ABOVE INFORMATION AND DETAILED REPORT ON POLISUR PROJECT. WISH TO KNOW EXACT STATUS OF BIDDING; SCOPE OF WORK AND EQUIPMENT COVERED BY INQUIRIES OR TENDERS; REQUIREMENTS FOR LOCAL CONTENT OR LOCAL JOINT VENTURE; U.S. AND FOREIGN COMPETITION ON TECHNOLOGY/ENGINEERING PHASE OF PROJECT AS WELL AS EQUIPMENT SUPPLY (IF TENDERS HAVE BEEN ISSUED ON EQUIPMENT). WOULD APPRECIATE IDENTIFICATION OF PHASES OF PROJECT THAT WILL BE COVERED BY IDB LOAN AND DELINEATION OF THOSE COMPONENTS FOR WHICH BIDDERS MUST PROVIDE SUPPLIER CREDITS IN BID PACKAGE. U.S. SUPPLIERS CONCERNED THAT IF PROPOSED FRENCH FINANCING OFFER REPORTED ABOVE IS ACCEPTED, POLISUR PROJECT COULD BE AWARDED ON TURNKEY BASIS TO FRENCH AND IDB FUNDS COULD BE APPLIED TO OTHER BAHIA BLANCA PROJECTS. ANY INFORMATION ON ACTIVITIES OF COMPETITORS ON THIS PROJECT WOULD BE WELCOME.

4. WOULD ALSO APPRECIATE COMPLETE DETAILS ON OTHER BAHIA BLANCA PROJECTS ALONG LINES OF QUESTIONS RAISED PARA LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 183758

THREE ABOVE. WE ARE PUZZLED BY REPORT REF B FROM EMBASSY OUTLINING EMBASSY'S ACTIVITIES RE BAHIA BLANCA, AS WE HAVE SEEN NO OTHER REPORTING ON DIRECT ASSISTANCE TO U.S. FIRMS, STATUS OF ETHYLENE PROJECT OR INFORMATION GLEANED FROM CONTACTS IN PETROCHEM SECTOR. WOULD APPRECIATE EMBASSY'S PROVIDING REFERENCES ON ANY PREVIOUS REPORTS WE MAY HAVE MISSED ON DISTRIBUTION.

5. WOULD ALSO APPRECIATE UPDATE ON STATUS OF NEW PETROCHEMICAL LAW. CHRISTOPHER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 05-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE183758
Document Source: CORE
Document Unique ID: 00
Drafter: OED/MEPD/WHAIMES/LW
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770281-0222
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770892/aaaaczlq.tel
Line Count: 104
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: e061e360-c288-dd11-92da-001cc4696bcc
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 BUENOS AIRES A-51, 77 BUENOS AIRES 3200
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1695207
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT: BAHIA BLANCA PETROCHEMICALS - POLISUR LOW DENSITY POLYETHYLENE PLANT
TAGS: BENC, AR
To: BUENOS AIRES
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/e061e360-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009